

June 13, 2014

TO: RFP Responders
FROM: Stanton I. Lanman, Procurement Officer
DATE: 06/13/2014
SUBJECT: Date Changes

**RFP 14-10
REAL ESTATE CONSULTING SERVICES
ADDENDUM #1**

Due to scheduling constraints, **the required submission date of RFP # 14-10 (Real Estate Consulting Services) has been extended from June 20, 2014 until June 30, 2014.** This time extension impacts other dates in the RFP. As a result, INPRS has also extended the other applicable dates which are impacted by this change. These changes are reflected in the original RFP as a redlined document.

The following change(s) to the above-referenced Request for Proposal have been made as designated below:

- ☐ Change of specification(s)
- ☐ Additional specification(s)
- ☒ Change of proposal opening time and date
- ☒ Change of other dates
- ☐ Other

1.16 Summary of Milestones

The following is the expected timeline for this solicitation:

ACTIVITY	EXPECTED DATE
Release RFP	MAY 26, 2014
Respondent's Inquiry Period Ends	JUNE 4, 2014
Answers to Inquiries Provided	JUNE 6, 2014
Respondent RFP Submissions Due	JUNE 30, 2014
Finalist Selection	WEEK OF JULY 7, 2014
Finalist Presentation	WEEK OF JULY 21, 2014
Selection of Vendor(s)	WEEK OF AUGUST 11, 2014



**REQUEST FOR PROPOSALS (“RFP”) for
REAL ESTATE CONSULTING SERVICES**

RFP NUMBER 14-10

**RELEASE DATE: MAY 26, 2014
DEADLINE FOR INQUIRIES: JUNE 4, 2014 BY 3:00 PM EDT
DEADLINE FOR SUBMISSION: JUNE 20, 2014 BY 3:00 PM EDT**

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SECTION 1 – INTRODUCTION

1.1 Title

Request for Proposals (“RFP”) for Real Estate Consulting Services for the Indiana Public Retirement System (“INPRS” or the “System”)

1.2 Overview of Request for Consulting Services

INPRS is soliciting proposals from all qualified firms who wish to be considered as a vendor to provide the Real Estate Consulting Services described in Section 2 - Scope of Services.

1.3 INPRS Background

1.3.1 History

INPRS was established by statute in 2011 as an independent body corporate and politic. The system is not a department or agency of the state but is an independent instrumentality exercising essential government functions. INPRS was established by legislation to manage the retirement funds of certain public employees throughout the State of Indiana.

INPRS administers seven Defined Benefit (“DB”) plans. Public Employees’ Retirement Fund (“PERF”), effective July 1, 1945, was initially created to provide pension benefits for Indiana residents who chose to work for the State of Indiana. Since then, the following five additional funds have been created:

- 1977 and 1985 Judges’ Retirement System (“JRS”);
- 1977 Police Officers’ and Firefighters’ Pension and Disability Fund (“1977 Fund”);
- State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers’ Retirement Plan (“C&E Plan”);
- Legislators’ Retirement System (“LRS”);
- Prosecuting Attorneys’ Retirement Fund (“PARF”)

INPRS also administers Indiana State Teachers’ Retirement Fund (“TRF”), created in 1921 by the Indiana General Assembly. TRF provides retirement benefits for public school teachers and other teaching professionals who work for state-funded institutions.

These seven funds (PERF, TRF, JRS, 1977 Fund, C&E Plan, LRS, and PARF) are managed separately and administered by INPRS. For additional information regarding INPRS and the funds detailed above, please access: <http://www.in.gov/inprs/>.

1.3.2 Real Estate Program

In accordance with the INPRS Investment Policy Statement, the Real Estate Program has a target allocation of 7.5% with a target range of 4% to 11%.

INPRS' Private Real Estate portfolio currently consists of investments in 28 funds across 16 general partners. The approximate net asset value of the portfolio is \$1.3 billion and the approximate committed capital is \$1.7 billion. The Private Real Estate Portfolio consists of both debt and equity investments in core, value-added, and opportunistic strategies (see Section 12 of INPRS Investment Policy Statement for additional details for targeted allocation range).

1.4 Issuer

INPRS is issuing this RFP in accordance with Indiana statutes governing the administration of INPRS and its procurement policy. The staff of INPRS has prepared the content of this RFP. One (1) copy of this RFP may be provided free of charge from INPRS or an electronic copy may be obtained from the following website: <http://www.in.gov/inprs/quotingopportunities.htm>. Additional copies are available at the rate of \$0.10 per page.

1.5 Contacts

Inquiries from Respondents are not to be directed to any staff or member of the Board of Trustees of INPRS, except as outlined in *Section 1.6* of this RFP. Such unauthorized communication(s) may disqualify Respondent from further consideration. INPRS reserves the right to discuss any part of any response for the purpose of clarification. Respondents will be given equal access to any communications about the RFP between INPRS and other Respondents.

1.6 Inquiries about the RFP for INPRS

All inquiries and requests for information affecting this RFP must be submitted by email to the contact below no later than due dates outlined in *Section 1.16* of this RFP.

Stanton Lanman
Procurement Officer
procurements@inprs.in.gov

INPRS reserves the right to judge whether any questions should be answered in writing.

Questions and responses will be posted to the INPRS website.

If it becomes necessary to revise any part of this RFP or provide additional interpretation of a provision, an addendum will be posted to the INPRS website prior to the due date for proposals. If such addendum issuance is necessary, the Procurement Officer may extend the due date and time of the proposals to accommodate such additional information requirements, if necessary.

1.7 Invitation to Submit Proposals

All proposals must be **received** at the address below **June 20, 2014 at 3:00 PM EDT**. Each Respondent must submit one hard copy and four electronic copies (preferably PDF) of your

response on CD. Please mark one of the electronic responses as an original. This electronic copy labeled original will be considered the official submission. The proposal must be clearly marked "Response to RFP 14-10 for Real Estate Consulting Services" and addressed/delivered to:

Stanton Lanman
Procurement Officer
Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204

Any proposal received after the due date will not be considered. Any late proposals will be returned to the Respondent unopened within thirty (30) days of filing upon request.

1.8 Modification or Withdrawal of Offers

Responses to this RFP may be modified or withdrawn in writing (by facsimile or mail), if modifications are received prior to the date specified for receipt of proposals. The Respondent's authorized representative may also withdraw the proposal in person, with proper identification and execution of a receipt for the proposal. Modification to or withdrawal of a proposal received after the date specified for receipt of proposals will not be considered.

INPRS may, at its option, allow all Respondents a five-calendar-day period to correct errors or omissions to their proposals. Should this necessity arise, INPRS will contact each Respondent affected. Each Respondent must submit written corrections to the proposal within five calendar days of notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected as deemed necessary by INPRS. Major errors or omissions, such as the failure to include prices, will not be considered by INPRS as a minor errors or omission and may result in disqualification of the proposal from further evaluation.

1.9 Confidential Information

Respondents are advised that materials contained in proposals are subject to the Indiana's Access to Public Records Act ("APRA"), IC 5-14-3 et seq., and, after the contract award, the entire RFP file, may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the transmittal letter and on the outside of such envelope that confidential materials are included. The Respondent must also specify the applicable statutory exception. If the Respondent does not specifically identify the statutory exception(s), INPRS will NOT consider the submission confidential. Furthermore, if INPRS does not agree that the information designated is confidential under one of the disclosure exceptions to APRA, it may either reject the proposal or consider the merits of the proposal without honoring the confidentiality requested. INPRS does not accept blanket confidentiality exceptions for the totality of the proposal. INPRS does not consider pricing to be confidential information. INPRS reserves the right to make determinations of confidentiality. Any objection to INPRS' confidentiality determination may be raised with the Indiana Public Access Counselor.

1.10 RFP Response Costs

INPRS accepts no obligation for costs incurred by Respondents in preparation of a proposal or any other costs incurred in anticipation of being awarded a contract.

1.11 Proposal Life

All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the due date specified above. Any proposal accepted by INPRS for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by INPRS.

1.12 Taxes

INPRS is exempt from federal, state, and local taxes. INPRS will not be responsible for any taxes levied on the Respondent as a result of any contract resulting from this RFP.

1.13 Secretary of State Registration

Before an out-of-state corporate Respondent can do business with INPRS, the Respondent must be registered with the Indiana Secretary of State. If an out-of-state corporate Respondent does not have such registration at present, the Respondent should contact:

Secretary of State of Indiana
Corporations Division
302 West Washington Street, E018
Indianapolis, IN 46204
(317) 232-6576

for the necessary registration application form, or it can be accessed via the internet at <http://www.in.gov/sos/>. It is each Respondent's responsibility to register prior to the initiation of any contract discussions, but registration is not a requirement to submit a response.

1.14 Discussion Format

INPRS reserves the right to conduct discussions, either oral or written, with those Respondents determined by INPRS to be reasonably viable to being selected for award. INPRS also reserves the right to seek clarification to resolve issues as deemed necessary by INPRS.

1.15 Compliance Certification

Responses to this RFP serve as a representation that the Respondent has no current or outstanding criminal, civil, or enforcement actions initiated by the State of Indiana, and Respondent agrees that it will immediately notify INPRS of such actions should they arise. The Respondent also certifies that neither it nor its principals are presently in arrears in payment of its taxes, permit fees, or other statutory, regulatory, or judicially required payments to the State of Indiana. The Respondent agrees that INPRS may confirm, at any time, that no such liabilities

exist, and, if such liabilities are discovered, that INPRS may bar the Respondent from contracting with INPRS, cancel existing contracts, withhold payments to set off such obligations, and withhold further payments or purchases until the entity is current in its liability to the State of Indiana and has submitted proof of such payment to INPRS.

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Finalist Selection	WEEK OF JUNE 23, 2014 <u>JULY 7, 2014</u>
Finalist Presentation	WEEK OF JULY 14, 2014 <u>JULY 21, 2014</u>
Selection of Vendor(s)	WEEK OF JULY 21, 2014 <u>AUGUST 11, 2014</u>

SECTION 2 – SCOPE OF SERVICES

MINIMUM QUALIFICATIONS & REQUIREMENTS

Unless otherwise specified, as of the response due date, Respondents must meet the following minimum requirements in order to be considered for the contract:

1. The firm's principals must have a minimum of five (5) years of experience advising institutional clients on real estate strategies.
2. The firm's principals must have experience providing real estate advisory services for at least two institutional clients investing \$500 million or more in a private real estate portfolio.
3. The primary individual assigned to the INPRS' account must have a minimum of three years of experience, either at the current or prior firm, in a senior real estate advisory role, preparing or overseeing investment policies, investment allocation strategies, and implementation of those strategies. This individual's experience must also include the evaluation and recommendation of domestic and international real estate managers for public and/or private pension plans.
4. Fees must be assessed on a fixed-structure basis, as opposed to a percentage of assets under advisement.
5. The firm must agree to act as a fiduciary within the meaning of applicable Indiana law.
6. The firm must agree to comply with Indiana law as it applies to investments made by INPRS.

Below is the Scope of Services to be performed by the Consultant for the Real Estate portfolio.

REAL ESTATE CONSULTING SCOPE OF SERVICE

Mandatory Services

Working with INPRS staff, the Consultant shall serve as INPRS's non-discretionary real estate consultant. Consulting services will include, but are not limited to: specialty consulting concerning the real estate asset class, sub-asset allocation recommendations and commitment pace modeling, portfolio exposure modeling, review of market trends and conditions, industry standards, performance benchmarks, review of partnership activities, assessment of partnership performance and other related areas. Consulting services also include domestic and international investment opportunity identification (including secondary and co-investment opportunities), detailed due diligence and written investment recommendations to INPRS real assets staff.

1. Policies and Procedures. Assist INPRS in developing operating policies and procedures as necessary for the INPRS real estate program. These shall cover the process from determining portfolio objectives to portfolio design, to liquidity management, to fund selection, to monitoring, to portfolio management.
2. Real Estate Investment Strategy. Work with the real assets staff to develop a long-term real estate investment strategy that is consistent with and integrated into the broader INPRS investment plan.
3. Real Estate Tactical Plan. Develop an annual plan to implement the real estate investment strategy, including:
 - a. Identification and Analysis: Identify appropriate real estate investment categories for INPRS. Analyze prospective levels of risk and return, economic growth, pricing, presence of competing capital, regulatory and technological changes, exit strategies and other key investment factors.
 - b. Manager Attributes: Based on the investment outlook for each category, identify preferred capabilities and characteristics for managers within that category.
4. Investment Search and Selection. INPRS recognizes that there are efficiency and cost-savings of due diligence efforts that are conducted for investments that likely are suitable for a number of clients. Nevertheless, applicants should be aware that INPRS places a high value on sourcing, analyzing, and recommending investment opportunities that meet INPRS's specific strategy. **The investment consulting services requested under this RFP are for non-discretionary investment advice.**
 - a. Develop Investment Screening: Develop a structured process that will analyze the full universe of available investments and efficiently identify those most appropriate for INPRS investment. This will include a detailed analysis of those prospective investments sourced by INPRS.
 - b. Identify New Opportunities: In concert with INPRS staff, identify new or limited access investments and make them available to INPRS.
 - c. Provide Manager Universe Database: Provide access to a database of real estate managers, including their philosophies, organizations, performance, and clients. Manager information should be available for a wide range of real estate managers including, but not limited to, domestic and international managers, debt and equity managers (core, value-added, and opportunistic strategies), and timberland, agriculture, and infrastructure managers, if available.
 - d. Develop Due Diligence Methodology: Work with INPRS staff to develop a due diligence methodology for analyzing prospective investments consistent with the highest fiduciary standards. This will include independent analysis of performance data. Apply due diligence procedures to those prospective investments that INPRS selects for consideration. Consultant will permit INPRS staff to accompany Consultant's staff on investment and operational diligence trips for existing and contemplated investments.
 - e. Make Investment Recommendations: Provide recommendations, whether positive or negative, for investment to the INPRS staff. This will include substantive written recommendations that will present the full results of the due diligence, strategic considerations and fit within the INPRS real estate portfolio.
 - f. Negotiate Terms and Conditions: At INPRS' request, assist in the negotiation of

contract terms and conditions. Interface with legal counsel selected and retained directly by INPRS. In addition, review and recommend course of action on all partnership document amendments, consents, waivers or other legal actions, as requested. Provide recommendation letters to INPRS staff on a timely basis.

5. Monitoring. In monitoring the real estate portfolio the consultant will:
 - a. Take responsibility for the timely review and analysis of the key events that may affect the INPRS real estate program, including legacy managers and funds. Key events could include but are not limited to market, organizational, or regulatory changes.
 - b. Assist in actions taken to protect the interests of INPRS as an investor and interact with portfolio investment managers and funds to ensure compliance by each with contract terms.
 - c. Attend annual meetings.
 - d. As requested, review and recommend courses of action for all fund document amendment requests.
 - e. Ensure fees charged by manager (management and performance) are in line with expected fees per contractual terms.
6. Reporting. Provide performance measurement and portfolio reporting on a quarterly basis.
 - a. A portfolio overview, a report on the real estate portfolio (including breakout of sub-portfolios as designated by INPRS) and portfolio detail on each underlying investment. The following information will be included:
 - i. Current status, to include INPRS' commitment, fund size, INPRS' ownership percentage, vintage year, invested capital, valuation at quarter-end, cumulative distributions received, total valuation (i.e., valuation plus cumulative distributions) and unfunded commitments. The financial statements issued by the partnership as well as data collected by INPRS custodian will be the source of valuations for each investment and, where appropriate, the source of underlying portfolio information. The usefulness and appropriateness of the data will be evaluated and any areas of concern will be identified;
 - ii. Gross and Net IRR over various time periods;
 - iii. Multiple of cash contributions over various time periods (TVPI, RVPI, DPI);
 - iv. Performance of the fund (IRR, TWR, TVPI, RVPI, DPI) versus similar funds of the same vintage year.
 - v. Items i through iv above aggregated by sub-asset class (i.e. core, value-added, opportunistic), property-type, geography, for the total program and as otherwise may be applicable.
 - vi. Allocation and performance breakdown by vintage year, strategy, property-type, and geography.
 - b. Reports on the INPRS real estate portfolio presenting summary and detail information. Detail on and comparisons to Benchmark Indices will be required (including IRR and time-weighted returns for the designated customized public market equivalent benchmarks).

- c. Reports presenting real estate industry metrics used for performance comparisons.
 - d. Readily accessible notes from conversations with managers containing organizational, portfolio, and any other relevant updates.
7. Special Projects. Prepare special analyses as requested by the INPRS staff to better define goals and objectives, monitor portfolio risk, or for other purposes deemed valuable by the INPRS staff in the management of the INPRS real estate program. Upon request of INPRS staff, provide ongoing research, analysis and advice on specific investment related issues. INPRS may require the Consultant's assistance, advice, research and analysis in other matters that fall outside of the routine investment programs.
 8. Education. Provide educational training, research, and reports (including "white papers" produced by Consultant) to the INPRS staff and educational presentations to the INPRS Board.
 9. INPRS Meetings. Meet periodically with INPRS staff and as requested, attend meetings of the Board in Indianapolis, Indiana.
 10. Consultant's Staff. Consultant must assign at least two (2) senior consultants to perform the services listed under the Contract. While one may be designated the Primary Consultant for the Contract, the Secondary Consultant must be fully capable of handling all aspects of the Contract in the absence of the Primary Consultant.
 11. Records. Consultant will retain account records for a period of seven (7) years and provide to INPRS a quarterly batch download or transfer via an agreed upon method of account data records.

Related Services

Consultant may be required to perform other services as may be required in connection with, and in the general nature of, the above duties.

SECTION 3 – PROPOSAL CONTENT REQUIREMENTS

3.1 General Instructions

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is documented in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below.

A complete proposal will include the following:

- Hard copy submission of a transmittal letter (with the information in *Section 3.2* of this RFP).
- Hard copy submission of a business proposal (with the information and attachments described in *Section 3.3* of this RFP).
- Hard copy submission of a fee proposal (with the information in *Section 3.4* of this RFP).
- Original electronic copy on CD, three additional electronic copies, and one hard copy.

3.2 Transmittal Letter

The transmittal letter must be in the form of a letter and address the following topics:

3.2.1 Identification of RFP

The transmittal letter must first identify the RFP title and number.

3.2.2 Identification of Vendor

The transmittal letter must identify the following information:

- Respondent Name
- Street Address
- City
- State
- ZIP
- Contact Name
- Phone
- Email

3.2.3 Summary of Ability and Desire to Supply the Required Services

The transmittal letter must briefly summarize the Respondent's ability to supply the requested services. The letter must also contain a statement indicating the Respondent's willingness to provide the requested services subject to the terms and conditions set forth in the RFP, including INPRS' standard contract clauses.

3.2.4 Signature of Authorized Representative

An authorized representative of the Respondent must sign the transmittal letter. Respondent personnel signing the transmittal letter of the proposal must be legally authorized by the organization to commit the organization contractually. This

section must contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

3.2.5 Other Information

Any other information the Respondent may wish to briefly summarize will be acceptable.

3.3 Business Proposal

The business proposal must contain the required information and be organized under the specific section titles as listed below.

3.3.1 Executive Summary

Please submit an executive summary, consisting of not more than three (3) one-sided pages, that summarizes the contents of the Proposal with your firm's name identified on the top of the first page.

3.3.2 Questionnaire

Please respond to the following questions regarding your firm's organizational and consulting capabilities and experience.

DEPTH, STABILITY, AND CAPACITY OF ORGANIZATION

Contact information:

<i>Firm</i>	
Name:	
Address:	
Telephone Number:	
Fax Number:	
Website:	
<i>Primary Contact</i>	
Name:	

Title:	
Telephone Number:	
Email:	

1. Indicate legal entity that will be contracting to provide the services outlined in the RFP and state whether parts of the proposed services are to be provided by a subcontractor/partner. Describe the relationship with the proposed subcontractor/partner and subcontractor/partner role in providing these services.
2. Confirm that INPRS will contract with only one party who will be held accountable for all performance-related issues, including liability and the payment of liquidated damages for all services that become part of the final contract.

3. Provide a breakdown of firm clientele by assets under consulting/advisory, in \$US millions:

	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
<i>Client Type</i>						
Public						
Corporate						
Endowment & Foundation						
Taft-Hartley						
Sovereign Entity						
High Net Worth						
Other						
Total						

4. Provide an overview of the firm, its history and a timeline of any major changes to its legal, organizational or ownership structure. Please include any expected future changes (near term or long term) to your firm's legal, organizational or ownership structure.
5. How many years has your firm been providing pension consulting services? To tax-exempt

clients? To public pension fund clients? Please include the categories of services available to clients during this period.

6. List the firm's office locations and the main functional roles of each, indicating the primary location of the team that would cover INPRS.
7. List any subsidiaries, affiliates or joint ventures and briefly describe the nature of each relationship, respective ownership structure and any revenue/profit sharing arrangements between your firm and all relevant entities. Please describe any litigation regarding your firm's consulting, advisory, or investment activities or other legal proceedings or governmental investigation. Provide an explanation and indicate the current status.
8. Are you registered with the SEC or a state securities regulator as an investment advisor? If so, please provide all the disclosures required under those laws, including your most recent Form ADV Part II and provide how many years the firm has been registered as an investment advisor.
9. Please list all lines of business and assets under management of your firm. Describe all sources of revenue for the firm.
10. Please indicate the number and percentage of clients that retain your firm on a discretionary vs. non-discretionary basis.
11. Does your firm or any affiliate serve as an investment manager for clients? Does your firm or any affiliate act as a securities broker-dealer? If you responded yes to one or both, please provide additional detail.
12. Does your firm or related entities receive any payments from money managers and/or non-client third parties? If yes, please provide additional detail about all arrangements in place.
13. Are there any circumstances under which any individual employed by your firm receives compensation, finder's fees, or any other material benefit from clients, investment managers, and/or non-client third parties? If yes, please describe in detail. Please provide your Code of Ethics.
14. If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment adviser or consultant to the plan while providing the consulting services we are seeking?
15. Please describe any other circumstances that could conflict with your firm's duty to provide unbiased service to INPRS, including any significant personal or business relationships of your firm or its key personnel that could affect services provided on INPRS' behalf.
16. Please describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance your firm carries. List the insurance carriers

supplying the coverage and their current A.M. Best or equivalent ratings. Confirm that such coverage will be applicable to proposer's actions under the Contract and provide current certificates of insurance coverage.

DEPTH AND EXPERIENCE OF PERSONNEL

17. Attach the firm's organizational chart and describe the relationship among the various components and the consulting group. Indicate if consulting personnel in the firm also are assigned to perform work for any other area of the firm.
18. Please name and include detailed resumes of the persons you propose to be Primary Consultant(s) and Secondary Consultant(s) for INPRS. Please state which of your firm's offices would service this account.
19. Provide summary information about the investment professionals responsible for covering INPRS:

Group/Role	Number of Professionals	Average Industry Experience	Average Tenure with the Firm	Average Tenure on Strategy/Sector
Senior Staff				
Research Analysts				
Operations Analysts				
Investment Analysts				
Risk Management				
IT Platform				
Other (please specify)				
Total				

20. Please explain how the team dedicated to the INPRS account would function, including Primary Consultant(s), Secondary Consultant(s), back-up, quality control, research, and support services. In addition, please explain how the team will interact and communicate with INPRS.
21. Please list the Primary Consultant(s)' current clients and engagements by asset size, type of client (e.g., public fund, corporate fund, endowment) and type of engagement (e.g., general

consulting services, monitoring and reporting services, project-based service). Indicate what steps will be taken to assure that the Primary Consultant(s) has time to dedicate to this engagement.

22. Discuss your firm's current capacity to service an additional large client such as INPRS. Is your firm currently attempting to attract other clients? If so, how many and what size?
23. Please explain your firm's current outlook on growth and future goals for expansion.
24. Describe the firm's compensation and incentive arrangements for consultants and other professional staff, including any incentive and other bonuses and how and for what they are awarded. What specific incentives are employed to ensure key professionals do not leave your firm?
25. Please list the name, title, role, year of departure and reason for departure for all professional employees that left the firm over the past five years.
26. Provide a description of the firm's business recovery plan, including plans for an alternative work site in the event of a business disruption.
27. Please describe your firm's backup procedures in the event the key staff assigned to this account should leave the firm or will be unavailable for an extended period of time (e.g., vacation, illness).
28. Please provide a client list of the ten (10) largest clients including name, contact, telephone number, asset values, number of years the client has retained your firm and product or service the client uses. In addition, include all of the information for your public fund clients regardless of their size. INPRS may contact any of these clients as references.
29. Please give details on the number, name(s) and asset values of any client relationships that were either terminated or not renewed since January 1, 2009, with reasons for the termination or non-renewal.
30. Please give details on the number, name(s) and asset value of any new client relationship gained since January 1, 2009.
31. Provide references for three current defined benefit public pension fund clients that have utilized the firm's real estate consulting services for at least five years. Include the name of the client, contact person, and telephone number. If there are fewer than three, then include all. Please use the following template to present information for each reference.

REFERENCE	
Client Name	
Client Address	
Primary Contact Name	
Primary Contact Title	
Primary Contact Phone Number	
Number of Years as a Client	
Services Provided	

32. Please provide a list of your firm's discretionary clients and assets that your firm manages for each such client.

Portfolio Construction/Concepts

33. How would you propose building a diversified real estate portfolio?
34. What are the positive and negative trends in the real estate industry? How can a Public Pension Fund capitalize on or protect itself from these trends?
35. Explain your firm's approach to benchmarking real estate investments' performance. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Can the firm provide custom benchmarks? Please indicate whether your firm has ever developed a customized benchmark for real estate and, if so, provide a description of the benchmark developed. What benchmarks would your firm recommend for INPRS' Real Estate Portfolio?

Investment Search and Selection Capabilities

36. Please list, as an exhibit, your firm's historical recommendations and your clients' commitments to core, value-added, and opportunistic real estate debt and equity funds.
37. What are the key factors on which you rely in assessing manager skill? Please describe your firm's process for the evaluation and selection of real estate opportunities for INPRS.

Include how your firm evaluates a manager's personnel and organization, investment philosophy, investment style(s) and products, research capabilities, financial condition, assets under management, type of clients, client service, management fees and carried interest.

38. How many investment opportunities did your firm review, meet with, conduct due diligence on, and ultimately recommend in 2009, 2010, 2011, 2012 and 2013? Provide a table on the number of funds reviewed per year for each of the following categories (core, value-added, and opportunistic) and any other classification, if applicable. Also, please identify if it was a broad recommendation or a prudent investor recommendation.
39. Please provide, as an exhibit, a recent representative investment recommendation.
40. Please provide, as an exhibit, an example of your due diligence model.
41. Please describe how investment opportunities are allocated among clients and whether any clients or funds have preference or priority. If any clients or funds have similar or overlapping investment strategies, please indicate specifically how any allocation issues have been resolved. In addition, please indicate if the firm currently reports to clients the results of the firm's allocation process, on an annual or other periodic basis and if the firm would be willing to provide such allocation reports to INPRS on a periodic basis.
42. Please provide comments regarding your capabilities in achieving access to various "closed" funds.
43. How often are on-site due diligence visits conducted with your clients' managers?
44. How will you incorporate INPRS investment staff in your manager due diligence process?
45. Upon request, how quickly can you perform a full due diligence and prepare a recommendation on a manager not currently covered by your firm?

Monitoring and Reporting

46. Please describe your firm's process for providing oversight on INPRS' real estate managers, including, but not limited to, overseeing performance, risk, investment objective, integrity, contract compliance, account restrictions, activities creating potential conflicts of interest and reporting requirements.
47. How does your firm monitor general partner adherence to the limited partnership agreement?
48. Please list your ten (10) largest general partner relationships.
49. Please provide, as an exhibit, a list of all of the private real estate funds in which your firm currently holds an advisory board seat, and the name of the Consultant(s) that holds such seat.

50. Please provide, as an exhibit, an example of reviews conducted of General Partner relationships following advisory board or annual meetings.
51. Do you have a risk aggregation/portfolio monitoring system in place? What are its capabilities?

Other

52. If an online portal is utilized, does the online portal provide analytical tools? Please elaborate on type(s) of analysis that may be performed and provide a list of all the metrics and statistics that it can calculate. Does functionality exist within the platform that allows for the creation of customized reporting exportable to print and/or email?
53. How many managers and/or funds do you currently cover? What percentage of these managers/funds has full due diligence been performed including complete write-ups? For which you have written reports?
54. Can custom searches be performed through your online portal? Please describe the functionality of your search engine.
55. Does your firm maintain or have access to a database of real estate managers and advisors? How many managers and advisors are contained in this database? Please list as an exhibit.
56. Please describe how your firm gathers, verifies, updates, maintains and analyzes the data collected on real estate managers for the database. Discuss how your firm verifies the accuracy and appropriateness of data submitted by real estate managers. Describe the screening variables and capabilities of the database.
57. Are you able to perform peer-ranking analysis?
58. If you became convinced that a particular change was necessary to the structure, management or objective of a clients' existing portfolio or specific investment, what process would you follow in promoting adoption of the change?
59. In your view, how should a client measure its real estate consulting firm's "performance"? Please explain how your firm measures its own performance?

3.3.3 Registration to do Business

Respondents proposing to provide services required by this RFP are required to be registered to do business within the state with the Indiana Secretary of State. The contact information for this office may be found in *Section 1.13* of this RFP. This process must be concluded prior to contract negotiations with INPRS. It is the Respondent's responsibility to successfully complete the required registration with the Secretary of State. The respondent must indicate the status of registration, if applicable, in this section of the proposal.

3.3.4 Financial Statements and Quality Assurance Report

This section must include the Respondent's financial statements, including an income statement and balance sheet for each of the two most recently completed fiscal years. In addition, please provide a copy of the respondent's most recent financial statement audit report. Finally, if available, please provide a copy of the Respondent's most recent quality assurance or peer review report. If none of these options are available, please note this in the proposal.

3.3.5 Subcontractors

The Respondent must list any subcontractors that are proposed to be used in providing the required Services. The subcontractor's responsibilities under the Proposal, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the Proposal.

3.3.6 Contract

Appendix A of this RFP is the base contract that will be used if an award is made. Any or all portions of this document are incorporated by reference as an addendum to the final contract. The Respondent is required to clearly identify and explain any exception that it desires to take to any of the terms and conditions of this RFP in this section. Additionally, if the Respondent wishes to include or change any language in the base contract being submitted, proposed language should be included in this section in the form of an amendment to the base contract. It should be noted that *Appendix A* of this RFP includes the essential clauses that are non-negotiable.

3.3.7 Assumptions

List any assumptions made by the Respondent in developing the response to this RFP, including INPRS responsibilities.

3.4 Fee Proposal

Please provide detail on your proposed fees. Fees must be submitted in U.S. dollars under a fixed price. The Services detailed in SECTION 2 – SCOPE OF SERVICES of this RFP are the basis for the proposed fees. The proposed fees shall include all costs for providing Services to INPRS as described and shall be guaranteed through the contract term. In no case will the final fee be higher than the fee contained in the Proposal. Payment of fees shall be in arrears.

FAILURE TO SUBMIT A DETAILED FEE PROPOSAL WILL ELIMINATE A RESPONDENT'S ORGANIZATION FROM CONSIDERATION.

SECTION 4 – CONTRACT AWARD

Based on the results of this process, the qualifying proposal(s) determined to be the most advantageous to INPRS, taking into account all of the evaluation factors, may be selected by INPRS for further action, such as contract award. If, however, INPRS decides that no proposal is sufficiently advantageous, INPRS may take whatever further action is deemed best in its sole discretion, including making no contract award. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the respondent, INPRS may begin contract preparation with the next qualified respondent or determine that it does not wish to award a contract pursuant to this RFP.

INPRS reserves the right to discuss and further clarify proposals with any or all respondent. Additionally, INPRS may reject any or all proposals received or to award, without discussions or clarifications, a contract on the basis of proposals received. Therefore, each proposal should contain the Respondent's best terms from a price and technical standpoint.

The Executive Director or his designee(s) will, in the exercise of his/her discretion, determine which proposal(s) offer the best means of servicing the interests of INPRS. The exercise of this discretion will be final.

4.1 Length of Contract

The standard term of the contract entered into under this RFP shall be for a period of three (3) years, beginning from date of final execution of contract, with the possibility of one three (3) year contract renewal thereafter.

4.2 Minority Business Development

The contract goal is that at least eight percent (8%) of state contracts be with minority and women business enterprises as defined in IC 4-13-16.5. This goal is established under IC 4-13-16.5-2 (f) (7). It is the intent of INPRS to meet or exceed the 8% minority and women's business enterprise participation goal when possible.

4.3 Evaluation Criteria

INPRS has selected a group of qualified personnel to act as an evaluation team. The procedure for evaluating the responses against the evaluation criteria will be as follows:

- Based on the results of the evaluation, the proposal determined to be most advantageous to INPRS, taking into account all of the evaluation factors, may be selected by INPRS for further action.
- In addition, the evaluation team will consider other factors it believes to be material for this selection.

Proposals will be evaluated based upon the ability of the Respondent to satisfy the requirements

in an efficient and cost-effective manner. Specific criteria include:

- Fulfilling the requirements set forth in the RFP
- Financial Strength
- Technical knowledge, skills, and other competencies of the vendor
- Respondent qualifications
- Quality and completeness of responses to this RFP
- Quality of references
- Experience and track record
- Price (i.e., detail of fee proposal)
- Quality of finalist presentation, if selected
- Special consideration will be given to those able to meet the Buy Indiana Initiative located at <http://www.in.gov/idoa/2467.htm>.
- Additional qualifying factors, as determined relevant by INPRS

References may be contacted. It is possible that finalists will be interviewed by persons participating in the selection process.

APPENDIX A – SAMPLE CONTRACT FOR SERVICES

The following sample contract is the base contract that will be used if an award is made. It is the expectation of INPRS that the Respondent will review the sample contract and provide desired changes to INPRS at the time of submittal of a proposal. Desired changes are unlikely to be added unless INPRS determines in its sole discretion that the performance of services under the contract is dependent upon such changes.

If Respondent wishes to amend any term or change any language in the base contract being submitted, proposed language should be included in the business proposal in the form of an amendment to the base contract. See *paragraph 3.3* of this RFP for the applicable section of the business proposal. For each proposed revision, the Respondent should indicate that the change is required by the Respondent in any contract resulting from this RFP and why it is required or indicate that the change is desired (but not required) by the Respondent in any contract resulting from this RFP.

If a required change is unacceptable to INPRS, the Respondent's proposal may be considered unacceptable. Please note the essential clauses section that follows for essential clauses that are non-negotiable.

The Respondent is required to clearly identify and explain any exception that it desires to take to any of the terms and conditions of this Solicitation in the business proposal. The evaluation of a proposal may be negatively affected by exception taken by the Respondent to any part of this Solicitation, and INPRS reserves the right, in its sole discretion, to refuse to consider any exception that is not so identified in the Respondent's proposal.

Essential Clauses in the System's Professional Services Contract

As part of the Request for Proposal (RFP) process, you are required to review the Indiana Public Retirement System's (the "System") boilerplate professional services contract and submit comments with your proposal. The following clauses are non-negotiable. If you believe that a clause will affect your risk of liability, you should adjust your bid price accordingly.

(Section 4) Access to Records

The System will not agree to any provision eliminating this requirement or requiring the System records to be retained for less than applicable law, including Indiana's public records retention schedule.

(Section 7) Audits

The System is subject to audits by the Indiana State Board of Accounts. Therefore, the System will not accept any substantive modifications to the language under this Section.

(Section 11) Compliance with Laws

The Indiana Attorney General requires this provision in all State of Indiana contracts. Contractor and its agents must abide by the ethical requirements set forth in Indiana Code, including provisions regarding the telephone solicitation of customers. As the System is subject to the jurisdiction of the State Ethics Commission and State ethics rules, the System will not agree to delete these provisions.

(Section 13) Confidentiality of System Information

Although the System is subject to Indiana's public records laws, many of the System records are confidential public records that cannot be disclosed. In addition, the Indiana Attorney General requires the Social Security disclosure clause in all State of Indiana contracts.

(Section 17) Disputes

The System will not agree in advance to any binding resolution clauses, except those of the State of Indiana courts; however, the System may agree to alternative dispute resolution options, should a dispute arise.

(Section 18) Drug-Free Workplace Certification

To ensure compliance with the Governor of Indiana's executive order on drug-free workplaces, these provisions are required in all the System contracts. The System will not accept any modifications of the language under this Section.

(Section 23) Governing Law

The contract must be governed by the laws of the State of Indiana, and suit, if any, must be brought in a state court of jurisdiction in the state of Indiana. As a quasi-governmental agency, the System is protected by the Eleventh Amendment of the United States Constitution, which guarantees that state governments hold sovereign immunity and are immune from federal lawsuits initiated by citizens of another state. The System will not agree to any provision that can be construed as waiving the System's Eleventh Amendment rights.

(Section 25) Indemnification

The System will not agree to any modification that limits Contractor's responsibility to indemnify the System as described in this Section. The Indiana Attorney General has opined that any agreement requiring the System to indemnify Contractor is a violation of the Indiana Constitution and against public policy. In addition, the System will not agree to any modification that limits the System's ability to recover damages or limits Contractor's liability as described in the contract.

(Section 33) Nondiscrimination

The Indiana Attorney General requires this provision in all State of Indiana contracts. The System will not agree to limit Contractor's liability under this provision, nor will the System agree to substitute Contractor's discrimination policy for the requirements under this Section.

(Section 32) Minority and Women's Business Enterprise Compliance

Indiana law requires this provision in all System contracts. In the event Contractor uses a subcontractor to complete services pursuant to this contract, Contractor must visit the Indiana Department of Administration's Web site, which contains a list of subcontractors registered as Minority Business Enterprises and/or Women's Business Enterprises. If a subcontractor who performs services required under the contract is listed on the Web site, Contractor must give that subcontractor the opportunity to bid. If Contractor does not use a subcontractor to complete services pursuant to this contract, Contractor will be unaffected by this provision.

(Section 50) Investigations and Complaints

As part of the System's fiduciary and due diligence obligations, this is an essential clause in the System's contracts. The System will not accept material changes to this provision.

Additional contract provisions to which the System will not agree:

- Any provision requiring the System to provide insurance or an indemnity;
- Any provision requiring the contract to be construed in accordance with the laws of any state other than Indiana;
- Any provision requiring suit to be brought in any state other than Indiana;
- Any mandatory dispute resolution other than the courts;
- Any provision requiring the System to pay taxes;
- Any provision requiring the System to pay penalties, liquidated damages, interest, or attorney fees;
- Any provision modifying the statute of limitations;
- Any provision relating to a time in which the System must make a claim;
- Any provision requiring payment in advance, except for rent; and
- Any provision limiting disclosure of information in contravention of the Indiana Access to Public Records Act

Acknowledgement

We have reviewed and agree to the System's mandatory contract provisions.

Signature: _____

Name: _____

Title: _____

Company: «Company_Name»

Date: _____

INVESTMENT CONSULTING AGREEMENT

THIS INVESTMENT CONSULTING AGREEMENT (“Consulting Agreement”) is made effective this ____ day of _____, 20____ (the “Effective Date”), by and between Indiana Public Retirement System (“INPRS”) and _____ (“Consultant”).

WHEREAS, INPRS has determined that it is in its best interests to enter into a new agreement with Consultant to provide [hedge fund/private equity] consulting services for its portfolio of assets; and

WHEREAS, Consultant desires to provide such services for INPRS;

NOW, THEREFORE, in consideration of the above-stated recitals, the mutual promises, covenants, representations, and conditions contained herein, and the mutual benefits to be derived therefrom, INPRS and Consultant agree as follows.

1. Duties of Consultant

The Consultant shall provide the [hedge fund/private equity] consulting services (“Consulting Services”), described in Exhibits A, which is attached hereto and incorporated herein by reference.

2. Term

This Consulting Agreement shall commence on the Effective Date and shall continue in full force and effect until the third (3rd) anniversary of the Effective Date, unless otherwise terminated, modified, or renewed in writing by the parties. This Consulting Agreement may be renewed under the same terms and conditions by mutual written agreement of the parties for an additional three-year period consistent with the terms set forth in Section 20. This Consulting Agreement will automatically renew on a month-to-month basis after the expiration date for a period not to exceed six (6) months.

3. Consideration

INPRS agrees to pay Consultant, and Consultant agrees to accept as full compensation for all Consulting Services rendered, a fee calculated at a rate and upon such terms as may from time to time be determined by the mutual agreement of the parties and, initially, in accordance with Exhibits B Schedule of Fees, attached hereto and incorporated by reference herein.

4. Definitions, Gender and Number

For purposes of this Consulting Agreement, capitalized terms not otherwise defined herein shall have the meanings set forth in this Section. In this Consulting Agreement, unless the context otherwise requires, the masculine, feminine, and neuter genders and the singular and plural include one another.

- A. Agents.** “Agents” means any of Consultant’s employees, agents, or representatives providing services in connection with this Consulting Agreement. “Agents” does not include independent service providers, including, but not limited to, broker/dealers and securities pricing services.
- B. Assets.** “Assets” means those securities, bonds, instruments, contracts, commercial papers, real property and cash owned by INPRS that the Board, in its sole discretion, may from time to time appoint Consultant to provide Consulting Services pursuant to the terms of this Consulting

Agreement, together with all interest, earnings, accruals, capital growth, and any and all other additions, substitutions, and alterations thereon or thereto.

- C. Board.** “Board” means the INPRS Board of Trustees responsible for the management and administration of INPRS.
- D. Claims.** “Claims” means any and all claims, damages, losses, liabilities, suits, costs, charges, expenses (including, but not limited to, attorneys’ fees and costs), judgments, fines, and penalties of any nature whatsoever that may be brought against INPRS in connection with the performance of this Consulting Agreement.
- E. Effective Termination Date.** “Effective Termination Date” means the date on which work under this Consulting Agreement will formally cease, as specified in any notice of termination delivered by INPRS to Consultant or by Consultant to INPRS.
- F. Investment Guidelines.** “Investment Guidelines” means the investment policies, guidelines, standards, and objectives set forth in INPRS’ Investment Policy Statement (“IPS”), a copy of which is attached hereto as Exhibit C and is incorporated herein in its entirety, and the scope of services enumerated within this Consulting Agreement.
- G. Legal Requirements.** “Legal Requirements” means all foreign, international, federal, state, county, and local laws, and regulations, ordinances, registrations, filings, approvals, authorizations, consents and examinations which may apply to INPRS or Consultant in relation to their performance under this Consulting Agreement.
- H. Standard of Care.** “Standard of Care” refers to the standard governing Consultant’s performance as a fiduciary of INPRS with respect to the performance of services under this Consulting Agreement and requires Consultant to discharge each of its duties and exercise each of its powers under this Consulting Agreement with the care, skill, prudence, and diligence that an expert acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.
- I. Fund Records.** “Fund Records” means all records related to the Assets, including, but not limited to, any pertinent transaction, activity, time sheets, cost, billing, accounting and financial records, proprietary data, electronic recordings, and any other records created by Consultant or its Agents in connection with this Consulting Agreement.

5. Appointment of Consultant and Acceptance of Appointment

INPRS hereby appoints Consultant as a fiduciary with respect to the performance of services under this Consulting Agreement. Consultant hereby accepts such appointment and agrees to execute its duties according to the terms, conditions, and standards set forth in this Consulting Agreement.

6. Standard of Care

Consultant acknowledges that this Consulting Agreement places it in a fiduciary relationship with INPRS with respect to the performance of services under this Consulting Agreement. Consultant holds itself out as an expert with respect to consulting on alternative investments by large trust and investment funds. Consultant represents itself as possessing greater knowledge and skill than the average person. Accordingly, Consultant is held to the Standard of Care, as defined in Section 4 of this Consulting Agreement. Consultant shall cause any and all of its Agents to exercise the same Standard of Care.

Consultant shall be liable to INPRS for any Claim that arises from or relates to any failure by Consultant or any of its Agents to exercise this Standard of Care. The Consultant and its subsidiaries and/or affiliates may render investment management services to other persons and may engage in or possess an interest in other real estate or business ventures, which ventures may be competitive with the Assets.

7. Limited Status as Agent

Consultant shall be deemed the agent of INPRS for the sole and limited purpose of consulting on the Assets. This Consulting Agreement is not intended and shall not be construed to create the relationship of servant, employee, partnership, joint venture, or association as between INPRS and Consultant. For all purposes, including, but not limited to, Workers' Compensation and unemployment liability, Consultant understands and agrees that all persons furnishing services pursuant to this Consulting Agreement are deemed employees solely of Consultant and not of INPRS.

8. Written Reports

Consultant shall provide INPRS with the periodic written reports mutually agreed upon by INPRS and Consultant. An authorized officer of Consultant shall sign all reports and shall certify that such reports are accurate and consistent with all applicable Investment Guidelines, unless otherwise indicated. INPRS agrees that Consultant, in the maintenance of its records and preparation of its reports, does not assume responsibility for the accuracy of any information furnished by INPRS, INPRS' custodian, or any other person or firm.

9. Meetings

At INPRS' request and at mutually agreed upon times, Consultant shall meet with INPRS to review Consultant's performance and to discuss Consultant's present and future investment strategy. Consultant shall be available upon reasonable notice to answer questions by INPRS' staff and Board members from time to time as needed, without additional charge.

10. Invoices for Compensation

Consultant agrees to execute such payment or invoice forms as are required by INPRS. Consultant shall submit to INPRS a quarterly invoice within thirty (30) calendar days of the close of the quarter for which services were provided. Each invoice shall include the quarterly share of Consultant's fee (prorated for any partial quarter) as set forth in the then-current Schedule of Fees. Invoices shall only cover work already performed because no compensation shall be paid to Consultant in advance of services rendered. All payment obligations shall be made in arrears in accordance with Indiana law and INPRS policies and procedures.

11. Seminars and Training Programs

Subject to and in accordance with all applicable State of Indiana and INPRS' ethics rules and regulations, in the event Consultant conducts seminars, training sessions, or similar events that are generally made available to Consultant's clients, INPRS shall be invited to attend upon the same terms and conditions as such other clients.

12. Termination; Rights, Remedies, and Responsibilities upon Termination; Termination for Convenience

Notwithstanding anything to the contrary, this Consulting Agreement may be terminated by INPRS, in

whole or in part, for any reason, by delivery of a notice of termination at least thirty (30) days prior to the Effective Termination Date. Upon termination of this Consulting Agreement, Consultant shall retain all Fund Records in accordance with the record retention provisions set forth in the Record Retention and Inspection section of this Consulting Agreement.

The Consultant shall have the right to terminate this Consulting Agreement in the event that (i) INPRS fails to perform their obligations under this Consulting Agreement (including the obligation to pay fees billed by Consultant), (ii) the Consultant has given ninety (90) days advance written notice of intent to terminate INPRS, and (iii) INPRS have not fully performed its obligations to Consultant within such ninety (90) day period.

Consultant shall be compensated for services rendered prior to the Effective Termination Date.

Following the Effective Termination Date, Consultant shall submit to INPRS, in the form and with any reasonable certifications as may be prescribed by INPRS, Consultant's final invoice ("Termination Invoice"). The Termination Invoice shall prorate Consultant's quarterly fees, on a daily basis, for work already performed but for which Consultant has not been compensated through the Effective Termination Date, in accordance with Consultant's then-current compensation level. Consultant shall submit such Termination Invoice no later than thirty (30) days after the Effective Termination Date. Upon Consultant's failure to submit its Termination Invoice within the time allowed, INPRS may determine, on the basis of information available to it, the amount, if any, due to Consultant and such determination shall be deemed final. After INPRS has made such determination, or after Consultant has submitted its Termination Invoice, INPRS shall authorize payment to Consultant.

Except as provided in the next paragraph, INPRS will not be liable for services performed after the Effective Termination Date. Consultant shall be compensated for services herein provided, but in no case shall total payment made to Consultant exceed the original contract price plus changes approved or directed in writing by INPRS. In no event shall INPRS' termination of the Consulting Agreement under this Section be deemed a waiver of either party's right to make a claim against the other party for damages resulting from any default by such other party that occurred prior to the Effective Termination Date. Additionally, INPRS may terminate this contract immediately in the event that INPRS, in its sole discretion, considers such action necessary to protect the plan or assets in the trust.

In the event of any termination of this Consulting Agreement, unless otherwise expressly directed by INPRS, Consultant shall take all necessary steps to stop services under this Consulting Agreement on the Effective Termination Date. All terms and conditions set forth herein shall continue to apply through the period following the Effective Termination Date ("Transition Period"), during which Consultant shall continue to serve as Consultant hereunder at the then-existing compensation level for the duration of the Transition Period. Such Transition Period shall not exceed three (3) months after the Effective Termination Date. Consultant shall perform services required under this Consulting Agreement that are necessary to complete any transactions pending on the Effective Termination Date. Consultant shall cooperate with INPRS in good faith to affect an orderly transfer of such services and all applicable records to a successor manager by the Effective Termination Date. After the additional services have been performed and the Transition Period is complete, Consultant, subject to the terms and conditions of this Consulting Agreement, shall be compensated for the Transition Period at its then-existing compensation level.

The rights and remedies provided by this Section are not exclusive, but cumulative, and in addition to any other rights and remedies provided by law, in equity, or under any provisions of this Consulting Agreement.

13. Indemnification

Consultant shall indemnify, defend, and hold harmless INPRS, its trustees, officers, employees, and agents, from and against any and all Claims arising from or relating to any bad faith, negligence, willful misconduct, improper or unethical practice, knowing infringement of intellectual property rights, breach of fiduciary duty, breach of trust, breach of confidentiality, violation of any Legal Requirement, or any other negligent or willful act or omission of or by Consultant or any of its Agents acting in connection with this Consulting Agreement. This indemnification shall survive any termination of this Consulting Agreement. INPRS shall not provide such indemnification to Consultant.

14. Consultant's Representations, Warranties, and Covenants

Consultant acknowledges, represents, warrants, covenants, and agrees to the following provisions:

- A. Authorization.** Consultant has duly authorized, executed, and delivered this Consulting Agreement, and this Consulting Agreement constitutes the legal, valid, and binding agreements and obligations of Consultant, enforceable against Consultant in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar limitations on creditors' rights generally and general principles of equity. Consultant is not subject to or obligated under any law, rule, or regulation of any governmental authority, or any order, injunction, or decree, or any agreement that would be breached or violated by Consultant's execution, delivery, or performance of this Consulting Agreement.
- B. Quality of Services.** All services that Consultant provides hereunder shall meet the requirements and standards set forth in this Consulting Agreement and any exhibits, schedules, and appendices attached hereto. At INPRS' request, Consultant shall promptly correct any errors or omissions in the provision of such services.
- C. Contingent Fees.** Consultant has not employed or retained any person or selling agency to solicit or secure this Consulting Agreement under any agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for bona fide employees of Consultant and Consultant's affiliates or bona fide established commercial or selling agencies maintained by Consultant for the purpose of securing business. If Consultant in any way breaches or violates this warranty, INPRS shall have the right to immediately terminate this Consulting Agreement for default and, in INPRS' sole discretion, to deduct from Consultant's compensation under this Consulting Agreement, or to otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.
- D. Gratuities.** Consultant has not offered or given any gratuities in the form of gifts, entertainment or otherwise, to any officer, fiduciary, or employee of INPRS or the State of Indiana with a view toward securing this Consulting Agreement or securing any favorable determination made concerning the award of this Consulting Agreement. Consultant covenants that no such gratuities will be given to any such person with a view toward securing any favorable treatment concerning the performance and/or continuation of this Consulting Agreement. If it is found that Consultant has offered or given such gratuities, INPRS may terminate this Consulting Agreement upon one (1) calendar day's written notice.
- E. Intellectual Property.** In connection with its performance under this Consulting Agreement, Consultant shall not knowingly develop, provide, or use any program,

process, composition, writing, equipment, appliance, or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature, or any other tangible or intangible assets that infringe or will infringe on any patent, copyright, or trademark of any other person or entity, or is or will be a trade secret of any other person or entity.

F. Changes. Consultant shall notify INPRS in writing within three (3) business days of any of the following changes:

- i. Consultant becomes aware that any of its representations, warranties, and covenants set forth herein cease to be materially true at any time during the term of this Consulting Agreement;
- ii. There is any material change in Consultant's senior personnel assigned to perform services under this Consulting Agreement;
- iii. There is any change in control of Consultant; or
- iv. Consultant becomes aware of any other material change in its management or its business organization, including without limitation the filing for bankruptcy relief.

G. Investigations and Complaints. To the extent permitted by applicable law, Consultant shall promptly advise INPRS in writing of any extraordinary investigation, examination, complaint, disciplinary action, or other proceeding relating to or affecting Consultant's ability to perform its duties under this Consulting Agreement that is commenced by any of the following:

- i. The Securities and Exchange Commission of the United States (the "SEC");
- ii. The New York Stock Exchange;
- iii. The American Stock Exchange;
- iv. The National Association of Securities Dealers;
- v. Any Attorney General or any regulatory agency of any state of the United States;
- vi. Any U. S. Government department or agency; or
- vii. Any governmental agency regulating securities of any country in which Consultant is doing business. Except as otherwise required by law, INPRS shall maintain the confidentiality of all such information until the investigating entity makes the information public.

H. Registered Investment Advisor. Consultant hereby represents that it is registered as an investment advisor with the SEC under the Investment Advisers Act of 1940, as amended ("Advisers Act"), unless exempted from registration by the SEC. Consultant shall immediately notify INPRS if at any time during the term of this Consulting Agreement it is not so registered or if its registration is suspended.

- I. Consultant's Agents.** The Agents of Consultant who will be responsible for performing under this Consulting Agreement are individuals experienced in the performance of the various functions contemplated by this Consulting Agreement and have not been convicted of any felony, found liable in any civil or administrative proceeding, or pleaded no contest or agreed to any consent decree with respect to any matter involving breach of trust, breach of fiduciary duty, fraud, securities law violations, or bankruptcy law violations.

Consultant understands and agrees that INPRS has relied upon the foregoing acknowledgments, representations, warranties, covenants, and agreements and that the same constitute a material inducement to INPRS' decision to enter into this Consulting Agreement.

15. Liability Insurance

Consultant shall provide proof of insurance coverage as set out in this Section. The intent of the required insurance is to protect INPRS and the State of Indiana from any claims, suits, actions, costs, damages, or expenses arising from any negligent or intentional act or omission of Consultant or subcontractor, or their Agents, while performing under the terms of this Consulting Agreement.

Consultant shall provide proof of insurance coverage, and such insurance coverage shall be maintained in full force and effect during the term of this Consulting Agreement, as follows:

- A. Commercial General Liability Insurance Policy.** Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity, but in no event less than \$1 million per occurrence and \$2 million general aggregate limit. Additionally, Consultant is responsible for ensuring that any subcontractors obtain adequate insurance coverage for the activities arising out of subcontracts. All insurance shall cover liability arising out of premises, operations, independent contractors, personal injury, and liability assumed under a contract.
- B. Professional Liability Insurance.** Such coverage shall cover loss resulting from Consultant's rendering or failing to render professional services. Consultant shall maintain this coverage with minimum limits of no less than \$__ million per claim, as applicable. If this policy is a "claims made" policy, Consultant shall purchase a "tail" that extends the coverage for at least one year from the expiration of this Consulting Agreement. If defense costs are paid within the limit of liability, Consultant shall maintain limits of \$__ million per incident, loss, or person, as applicable. If the policy contains a general aggregate or policy limit, then it shall be at least two (2) times the incident, loss, or personal limit.
- C. Financial Institutions Blanket Fidelity Bond.** Provide a fidelity bond(s) or insurance policy(ies) in adequate quantity to protect against legal liability arising out of Consulting Agreement activity, but no less than \$__ million per occurrence and an aggregate limit, if any, of not less than \$5 million for the following circumstances:
- i. Fidelity Loss.** Loss resulting directly from dishonest or fraudulent acts committed by an employee of the Consultant acting alone or in collusion with others.

- ii. **Physical Loss.** Loss by reason of the physical loss of, or damage to, or unexplained disappearance of INPRS funds, assets, or other property under the control of Consultant within any premises, wherever located, or while in transit.
- iii. **Forged Instruments.** Loss by reason of forgery or alteration of negotiable instruments, certificates of deposit, or letters of credit.
- iv. **Computer Manipulation.** Loss by reason of a dishonest or fraudulent act or computer manipulation that was committed by any employee of Consultant.

The insurance coverage required shall be issued by an insurance company or companies authorized to do business within the state of Indiana, and shall name the State of Indiana and its agents and employees, as well as INPRS and its agents and employees as additional insureds, where appropriate. All policies shall be primary to any other valid and collectable insurance. Consultant shall instruct the insurers to give INPRS thirty (30) days advance notice of any insurance cancellation.

Consultant shall submit to INPRS five (5) days prior to the Consulting Agreement's effective date certificates of insurance that outline the coverage and limits defined in this Section and demonstrate that such limits and coverage have been met or exceeded. Certificates of insurance that are accepted by INPRS shall be incorporated as part of this Consulting Agreement. Consultant shall submit renewal certificates as appropriate during the term of the Consulting Agreement or as requested by INPRS. Consultant shall promptly give INPRS notice of the cancellation of any policy for which a certificate of insurance or renewal certificate has been submitted to INPRS. Such notice of cancellation shall be as far in advance of such cancellation as possible.

By requiring insurance coverage, INPRS does not represent that coverage and limits will be adequate to protect Consultant or INPRS, and such coverage and limits shall not limit Consultant's liability under this Consulting Agreement.

Failure of Consultant to obtain and maintain the required insurance is a material breach of this Consulting Agreement, which may result in termination of this Consulting Agreement for cause, at INPRS' option.

16. Replacement of Consultant's Agents

Upon demand by INPRS, Consultant shall replace any Agent assigned to perform services under this Consulting Agreement who INPRS determines is unable to effectively execute the responsibilities required by this Consulting Agreement.

17. Record Retention and Inspection

- A. **Record Maintenance.** Consultant shall keep and maintain all records related to the Assets, including, but not limited to, any Fund Records, according to Consultant's record retention standards. Consultant shall keep and maintain Fund Records according to Consultant's record retention schedule in accordance with applicable law, including Indiana's public records retention schedule.

- B. Record Review and Audit.** Consultant agrees that INPRS, or any duly authorized representative of INPRS, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any Fund Records at any time during the term of this Consulting Agreement or at any time in accordance with applicable law, including Indiana's public records retention schedule. Upon INPRS' request and on reasonable notice, Consultant shall make such records available for review during normal business hours at Consultant's business office. Consultant shall make the persons responsible for creating and maintaining Fund Records available to INPRS during such review for the purpose of responding to INPRS' reasonable inquiries. If INPRS requests copies of Fund Records, copies shall be furnished by Consultant, at no cost to INPRS.

18. Confidentiality

Consultant understands and agrees that information, data, and materials disclosed to Consultant by or on behalf of INPRS or any of its members, participants, employees, customers, or third party service providers may contain confidential and protected information; therefore, Consultant promises and assures that data, materials, and information gathered, based upon, or disclosed to Consultant for the purpose of this Consulting Agreement will be treated as confidential and will not be disclosed to or discussed with other parties without the prior written consent of INPRS.

Notwithstanding the foregoing, confidential information shall exclude information which (a) is or becomes generally available to the public other than as a result of a breach of this Consulting Agreement by Consultant or its Agents, or (b) is already in Consultant's possession or becomes available to Consultant from a source other than INPRS or its agents, provided that such source is not known by the Consultant to be bound by a confidentiality agreement with INPRS or is not otherwise known by the Consultant to be prohibited from transmitting the information to the Consultant by a contractual, legal or fiduciary obligation.

In addition to the foregoing, the Consultant may disclose confidential information to the extent required by law, regulation or court order or if requested by any regulatory or law enforcement authority, provided that (x) where permitted by such law, regulation, court order or regulatory or law enforcement authority, the Consultant will provide INPRS with written notice, as far in advance as reasonably practicable when disclosing such confidential information, and (y) the Consultant will inform the applicable regulatory authority or other person to whom disclosure is being made of the confidential nature of the confidential information and will request such authority or other person to treat such confidential information as confidential.

The parties acknowledge that the services to be performed by Consultant for INPRS under this Consulting Agreement may require or allow access to data, materials, and information containing Social Security numbers or other personal information maintained by INPRS in its computer system or other records.

19. Force Majeure; Suspension and Termination

In the event that either party is unable to perform any of its obligations under this Consulting Agreement or to enjoy any of its benefits because of natural disaster, actions, or decrees of governmental bodies, or communication line failure not the fault of the affected party or other causes beyond a party's reasonable control ("Force Majeure Event"), the party who has been so affected shall immediately give notice to the other party and shall do everything possible to resume performance, and the failure to perform its obligations shall not be treated as a default hereunder.

20. Renewal Option

This Consulting Agreement may be renewed by INPRS in any manner authorized by law.

21. Nondiscrimination

Pursuant to IC § 22-9-1-10 and the Civil Rights Act of 1964, Consultant and its Agents, if any, shall not discriminate against any employee or applicant for employment in the performance of this Consulting Agreement. Consultant shall not discriminate with respect to the hire, tenure, terms, conditions, or privileges of employment or any matter directly or indirectly related to employment, because of race, color, religion, sex, disability, national origin, or ancestry. Breach of this covenant may be regarded as a material breach of Agreement. Acceptance of this Consulting Agreement also signifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability, or status as a veteran.

22. Conflict of Interest, Compliance with Laws, and Ethics

A. Conflict of Interest

- i.** As used in this section:
 - (a) “Immediate family” means the spouse and the unemancipated children of an individual.
 - (b) “Interested party” means:
 - (1) The individual executing this Consulting Agreement;
 - (2) An individual who has an interest of three percent (3%) or more in Consultant, if Consultant is not an individual; or
 - (3) Any member of the immediate family of an individual specified under subdivision (i) or (ii).
 - (c) “Department” means the Indiana Department of Administration.
 - (d) “Commission” means the Indiana State Ethics Commission.
- ii.** INPRS may cancel this Consulting Agreement without recourse by Consultant if any interested party is an employee of INPRS.
- iii.** INPRS will not exercise its right of cancellation under subsection 2 above if Consultant gives the Department an opinion by the Commission indicating that the existence of this Consulting Agreement and the employment by INPRS of the interested party does not violate any statute or rule relating to ethical conduct of INPRS employees. INPRS may take action, including cancellation of this Consulting Agreement, consistent with an opinion of the Commission obtained under this section.
- iv.** Consultant has an affirmative obligation under this Consulting Agreement to disclose to INPRS when an interested party is or becomes an employee of

INPRS. The obligation under this section extends only to those facts that Consultant knows or reasonably could know.

B. Laws and Ethics

- i. Consultant shall comply with all applicable federal, state, and local laws, and rules, regulations, and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment of any state or federal statute or the promulgation of rules or regulations thereunder after execution of this Consulting Agreement shall be reviewed by INPRS and Consultant to determine whether the provisions of this Consulting Agreement require formal modification.
- ii. Consultant and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with INPRS as set forth in IC § 4-2-6 *et seq.*, IC § 4-2-7, *et seq.*, the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004, and reaffirmed under Executive Order 05-12, dated January 10, 2005. If Consultant is not familiar with these ethical requirements, Consultant should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission Web site at <http://www.in.gov/ethics/>. If Consultant or its Agents violate any applicable ethical standards, INPRS may, in its sole discretion, terminate this Consulting Agreement immediately upon notice to Consultant. In addition, Consultant may be subject to penalties under IC §§ 4-2-6 and 4-2-7. Consultant has an affirmative obligation under this Consulting Agreement to disclose to INPRS when any INPRS employee, their spouse or dependent children has a pecuniary interest in or derives a profit from this Consulting Agreement. The obligation under this section extends only to those facts that Consultant knows or reasonably could know.
- iii. Consultant certifies by entering into this Consulting Agreement that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees, or other statutory, regulatory, or judicially-required payments to the State of Indiana. Consultant agrees that any payments currently due to the State may be withheld from payments due to Consultant. Additionally, further work or payments may be withheld, delayed, or denied and/or this Consulting Agreement suspended until Consultant is current in its payments and has submitted proof of such payment to the State.
- iv. Consultant warrants that it has no current, pending, or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify INPRS of any such actions. During the term of such actions, Consultant agrees that INPRS may delay, withhold, or deny work under any supplement, amendment, change order, or other contractual device issued pursuant to this Consulting Agreement.
- v. If a valid dispute exists as to Consultant's liability or guilt in any action initiated by the State or its agencies, and INPRS decides to delay, withhold, or deny work to Consultant, Consultant may request that it be allowed to continue, or receive work, without delay. Consultant must submit, in writing, a request for review to INPRS. A determination by INPRS shall be binding.

- vi. Any payments that INPRS may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest under IC § 5-17-5.
- vii. Consultant warrants that Consultant and its sub-Consultants, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, as well as comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for INPRS. Failure to do so may be deemed a material breach of this Consulting Agreement and grounds for immediate termination and denial of further work with INPRS.
- viii. Consultant affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports to the Indiana Secretary of State.
- ix. As required by IC § 5-22-3-7:
 - (a) Consultant and any principals of Consultant certify that
 - (1) Consultant, except for de minimis and nonsystematic violations, has not violated the terms of IC § 24-4.7 [Telephone Solicitation Of Consumers], IC § 24-5-12 [Telephone Solicitations], or IC 24-5-14 [Regulation of Automatic Dialing Machines] in the previous three hundred sixty-five (365) days, even if IC § 24-4.7 is preempted by federal law; and
 - (2) Consultant will not violate the terms of IC § 24-4.7 for the duration of the Consulting Agreement, even if IC § 24-4.7 is preempted by federal law.
 - (b) Consultant and any principals of Consultant certify that an affiliate or principal of Consultant and any agent acting on behalf of Consultant or on behalf of an affiliate or principal of Consultant:
 - (1) Except for de minimis and nonsystematic violations, has not violated the terms of IC § 24-4.7 in the previous three hundred sixty-five (365) days, even if IC § 24-4.7 is preempted by federal law; and
 - (2) Will not violate the terms of IC § 24-4.7 for the duration of the Consulting Agreement, even if IC § 24-4.7 is preempted by federal law.

23. Taxes

The State of Indiana is exempt from state, federal, and local taxes. INPRS does not agree and will not be responsible for any taxes levied on Consultant as a result of this Consulting Agreement.

24. Governing Laws

This Consulting Agreement shall be construed in accordance with and governed by the laws of the State of Indiana and suit, if any, must be brought in a state court of jurisdiction in the State of Indiana.

25. Disputes

- A.** Should any disputes arise with respect to this Consulting Agreement, Consultant and INPRS agree to act immediately to resolve any such disputes. Time is of the essence in the resolution of disputes.
- B.** Consultant agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all its responsibilities under this Consulting Agreement which are not affected by the dispute. Should Consultant fail to continue without delay to perform its responsibilities under this Consulting Agreement in the accomplishment of all non-disputed work, any additional costs incurred by Consultant or INPRS as a result of such failure to proceed shall be borne by Consultant, and Consultant shall make no claim against the State of Indiana for such costs. If Consultant and INPRS cannot resolve a dispute, the parties may mutually agree to submit the dispute to arbitration for a determination, or otherwise the dispute shall be submitted to an Indiana court of competent jurisdiction.
- C.** INPRS may withhold payments on disputed items pending resolution of the dispute. Except as provided in Section 12, the unintentional nonpayment by INPRS to Consultant of up to three invoices not in dispute in accordance with the terms of this Consulting Agreement will not be cause for Consultant to terminate this Consulting Agreement, and Consultant may bring suit to collect without following the disputes procedure contained herein.

26. Notices

All notices, requests, demands, or other communications required or desired to be given hereunder or under any law now or hereafter in effect shall be in writing. Such notices shall be deemed to have been given if delivered by electronic mail with acknowledgement of receipt, by facsimile with telephone confirmation of receipt, or by overnight courier, or if mailed by first class registered or certified mail, postage prepaid, and addressed as follows (or to such other address as Consultant, custodian, or INPRS from time to time may specify in writing to the others in accordance with this notice provision):

Notices to INPRS shall be sent to:

David Cooper
Chief Investment Officer
Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Tel: (317) 234-2370
Fax: (317) 234-2245
E-mail: dccopper@inprs.in.gov

With a copy to:

[INSERT]

Notices to the Consultant shall be sent to:

[INSERT]

27. Funding Cancellation

When the Board of Trustees makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Consulting Agreement, this Consulting Agreement shall be canceled. A determination by the Board that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

28. Section Headings; Interpretation

Caption and Section headings used in this Consulting Agreement are for convenience and reference only and shall not affect in any way the meaning, construction, or interpretation of this Consulting Agreement. Each party hereto and its counsel have participated fully and equally in the review and negotiation of this Consulting Agreement. The language in all parts of this Consulting Agreement shall in all cases be construed according to its fair meaning and not strictly for or against any party hereto.

29. Entire Agreement; Exhibits, Schedules, and Appendices

This Consulting Agreement, together with any and all exhibits, schedules, and appendices attached hereto, contains the entire and exclusive Consulting Agreement between the parties hereto and supersedes all previous oral and written agreements or understandings, and all contemporaneous oral and written negotiations, commitments, understandings, and communications between the parties, relating to the subject matter of the Consulting Agreement. The exhibits, schedules, and appendices attached hereto are incorporated in and made a part of this Consulting Agreement by reference.

30. Severability

If any provision of this Consulting Agreement is held by any court to be invalid, void, or unenforceable, in whole or in part, the other provisions shall remain unaffected and shall continue in full force and effect.

31. Waiver

The waiver of any breach of any provision of this Consulting Agreement by either party shall not constitute a waiver of any preceding or subsequent breach of such provision or of any other provision of this Consulting Agreement. The failure or delay of either party to exercise any right given to the party under this Consulting Agreement shall not constitute a waiver of such right, nor shall any partial exercise of any right given hereunder preclude further exercise of such right. No right conferred on either party shall be deemed waived and no breach of this Consulting Agreement excused unless such waiver or excuse shall be in writing and signed by the party claimed to have waived such right.

32. Assignment and Delegation

This Consulting Agreement and any of the rights or duties hereunder may not be assigned or delegated by Consultant without the prior written consent of INPRS, consent which may be granted or withheld in the INPRS' sole discretion. Any assignment of rights or delegation of duties under this Consulting Agreement, to which the parties hereto agree in writing, shall bind and inure to the benefit of the successors in interest of INPRS and Consultant.

33. Maintaining a Drug-Free Workplace

- A.** Consultant hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this Consulting Agreement a drug-free workplace. Consultant will give written notice to INPRS within ten (10) days after receiving actual notice that an employee of Consultant has been convicted of a criminal drug violation occurring in Consultant's workplace.
- B.** In addition to the provisions of subsection (a) above, if the total Consulting Agreement amount set forth in this Consulting Agreement is in excess of \$25,000, Consultant hereby further agrees that this Consulting Agreement is expressly subject to the terms, conditions, and representations contained in the Drug-Free Workplace Certification ("Certification"). The Certification is hereby executed by Consultant in conjunction with this Consulting Agreement and is set forth in Section 34 of this Consulting Agreement.
- C.** It is expressly agreed that the falsification or violation of terms of the Certification referenced in Subsection (b) above, or the failure of Consultant to comply with the terms of Subsection (a) above, shall constitute a material breach of this Consulting Agreement and shall entitle INPRS to impose sanctions against Consultant including, but not limited to, suspension of Consulting Agreement payments, termination of this Consulting Agreement, and/or debarment of Consultant from doing further business with INPRS for up to three (3) years.

34. Drug-Free Workplace Certification

This Certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. No award of an Agreement shall be made, and no Agreement, purchase order or agreement, the total amount of which exceeds \$25,000, shall be valid, unless and until this Certification has been fully executed by Consultant and made a part of the Agreement or agreement as part of the Agreement documents. False certification or violation of the Certification may result in sanctions, including, but not limited to, suspension of Agreement payments, termination of the Agreement or agreement and/or debarment of contracting opportunities with the State for up to three (3) years.

Consultant certifies and agrees that it will provide a drug-free workplace by:

- A.** Publishing and providing to all of its employees a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled

substance is prohibited in Consultant's workplace and specifying the actions that will be taken against employees for violations of such prohibition; and

- B.** Establishing a drug-free awareness program to inform employees of
 - i.** The dangers of drug abuse in the workplace;
 - ii.** Consultant's policy of maintaining a drug-free workplace;
 - iii.** Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv.** The penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace.
- C.** Notifying all employees in the statement required by subparagraph (a) above, that as a condition of continued employment, the employee will
 - i.** Abide by the terms of the statement; and
 - ii.** Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- D.** Notifying INPRS in writing within ten (10) days after receiving notice from an employee under subdivision (c)(2) above or otherwise receiving actual notice of such conviction;
- E.** Within thirty (30) days after receiving notice under subdivision (c)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace:
 - i.** Take appropriate personnel action against the employee, up to and including termination; or
 - ii.** Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency; and
- F.** Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (a) through (e) above.

35. Audits

Consultant acknowledges that it may be required to submit to an audit of funds paid through this Consulting Agreement. Any such audit shall be conducted in accordance with IC 5-11-1, *et seq.* and audit guidelines specified by INPRS. If an error is discovered as a result of an audit performed by Consultant or INPRS, or if Consultant becomes aware of any error through any other means, Consultant shall use commercially-reasonable efforts to promptly correct such error or to cause the appropriate party to correct such error.

36. Authority to Bind Consultant

The signatory for Consultant represents that he/she has been duly authorized to execute this Consulting Agreement on behalf of Consultant and has obtained all necessary or applicable approvals to make this Consulting Agreement fully binding upon Consultant when his/her signature is affixed, and certifies that this Consulting Agreement is not subject to further acceptance by Consultant when accepted by INPRS.

37. Changes in Work

Consultant shall not commence any additional work or change the scope of the work until authorized in writing by INPRS. No claim for additional compensation shall be made in the absence of a prior written approval executed by all signatories hereto.

38. Debarment and Suspension

- A.** Consultant certifies by entering into this Consulting Agreement that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Consulting Agreement by any federal agency, or by any department, agency or political subdivision of the State. The term “principal” for purposes of this Consulting Agreement means an officer, director, owner, partner, key employee, in house attorney, or in house paralegal providing services to INPRS, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of Consultant.
- B.** Consultant certifies that it has verified the state and federal suspension and debarment status for all lawyers receiving funds under this Consulting Agreement and shall be solely responsible for any recoupment, penalties, or costs that might arise from use of a suspended or debarred subcontractor. Consultant shall immediately notify INPRS if any lawyer providing services under this Consulting Agreement becomes debarred or suspended, and shall, at INPRS’ request, take all steps required to terminate work to be performed by such person under this Consulting Agreement.

39. Penalties/Interest/Attorney’s Fees

INPRS will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney’s fees, except as permitted by Indiana law, in part, IC § 5-17-5, IC § 34-54-8, and IC § 34-13-1.

Notwithstanding the provisions contained in IC § 5-17-5, any liability resulting from INPRS’ failure to make prompt payment shall be based solely on the amount of funding originating from INPRS and shall not be based on funding from federal or other sources.

40. Minority and Women’s Business Enterprise Compliance

Consultant agrees to comply fully with the provisions of Consultant’s Minority and Women’s Business Enterprise (“MBE/WBE”) participation plans (if applicable), and agrees to comply with all applicable MBE/WBE statutory and administrative code requirements and obligations, including IC § 4-13-16.5 and 25 IAC 5. Consultant further agrees to cooperate fully with the MBE/WBE division to facilitate the promotion, monitoring, and enforcement of the policies and goals of MBE/WBE programs, including any and all assessments, compliance reviews, and audits that may be required.

41. Regulatory Communications.

Consultant agrees to provide all statements, responses, and filings made with federal or state of Indiana regulatory bodies within thirty (30) days of request by INPRS. These may be related to such topics as current or proposed industry regulations, proposed statutory changes, or any other topics affecting INPRS or financial sector.

42. Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he is the contracting party, or that he is the representative, agent, member, or officer of the contracting party, that he has not, nor has any other member, employee, representative, agent, or officer of the firm, company, corporation, or partnership represented by him, directly or indirectly, to the best of his knowledge, entered into or offered to enter into any combination, collusion, or agreement to receive or pay, and that he has not received or paid any sum of money or other consideration for the execution of this Consulting Agreement other than that which appears upon the face of the Consulting Agreement.

[Signature page follows]

The parties having read and understood the foregoing terms of this Consulting Agreement do by their respective signatures dated below hereby agree to the terms hereof.

CONSULTANT

By: _____

Printed Name: _____

Title: _____

Date: _____

INDIANA PUBLIC RETIREMENT SYSTEM

By: _____

Printed Name: Steve Russo

Title: Executive Director

Date: _____

APPENDIX B – MANDATORY RESPONDENT FORMS

B.1 Indiana Economic Impact Statement



INDIANA ECONOMIC IMPACT - PROPOSALS AND CONTRACTS

State Form 51778 (R5 / 3-06)

DEPARTMENT OF ADMINISTRATION

Approved by State Board of Accounts, 2006

This information is required by the Indiana Department of Administration for all contractors, vendors/suppliers to the State of Indiana (complete all 22 items).

1	Legal Name of firm:	
2	Address/City/State/Zip Code:	
3	Telephone #/Fax #/Website:	
4	Federal Tax Identification Number:	
5	State/Country of domicile/incorporation:	
6	Location of firm's headquarters or principal place of business:	
7	Name of parent company or holding company (if applicable):	
8	State/Country of domicile/incorporation of company listed in #7:	
9	Address of company listed in #7:	
10	IN Department of Workforce Development (DWD) account number:	
11	IN Department of Revenue (DOR) account number:	
12	Number of Indiana resident employees per most recently completed IRS Form W-2 distribution:	
13	Total number of employees per most recently completed IRS Form W-2 distribution:	
14	Total amount of payroll paid to Indiana resident employees per most recently completed IRS Form W-2 distribution:	
15	Total amount of payroll paid to all employees per the most recently completed IRS Form W-2 distribution:	
16	Total amount of this proposal, bid, or current contract:	

ACCOUNTING OF INDIANA RESIDENT EMPLOYEES

17	<u>Prime Contractor Company</u> Name:	
18	<u>Number of Full Time Equivalent (FTE) employees</u> that are Indiana residents specifically for this proposal or contract:	

19	<u>Subcontractor Company</u> Name:				
20	Address/Contact Person/Telephone Number/Tax ID Number:				
21	<u>Number of Full Time Equivalent (FTE) employees</u> that are Indiana residents specifically for this proposal or contract:				

22	<u>Affirmation by authorized official:</u> I affirm under penalties of perjury that the foregoing representations are true to be the best of my knowledge and belief.				
	Signature:				
	Name of auththorized official:				
	Title:				
	Date:				

B.2 Taxpayer Identification Number Request

Purpose of form: We are required to file an information return with the IRS and must get your correct taxpayer identification number (TIN) to report our payments to you.

Use Form W-9 on the reverse side, if you are a U.S. person (including a U.S. resident alien), to give us your correct TIN and, when applicable to:

1. Certify the TIN you are giving is correct.
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are an exempt payee.

If you do not provide us with the information, your payments may be subject to 31% federal income tax backup withholding. Also, if you do not provide us with information, you may be subject to a \$50.00 penalty imposed by the Internal Revenue Service per I.R.C. 6723.

Federal law on backup withholding preempts any state and local law remedies, such as any rights to a mechanic's lien. If you do not furnish a valid TIN, or if you are subject to backup withholding, the payer is required to withhold 31% of its payment to you. Backup withholding is not a failure to pay you. It is advance tax payment. You should report all backup withholding as a credit for taxes on your federal income tax return.

Specific Instructions: Enter your legal name on that line. Your legal name is the one that appears on your Social Security Card or Employer Identification Number if a business. If you are a sole proprietor, then your legal name is the business owner's name. If you have a "doing business as" (d/b/a) name, enter on the trade line. Enter your remit address on the next line, and if you have a separate address for purchase orders, enter that address on the appropriate line.

Next, select the organization type for your name, check the box, and record the appropriate taxpayer identification number (TIN) in the space provided. Notice that individuals and sole proprietors are the only types with a social security number. If you are a corporation or an exempt 501(a) organization, you must answer yes or no on legal and medical services. If you are sole proprietor you must show the business owner's name in the legal box, and the business name in the trade name box. You cannot use only the business name. For the TIN, you may use either the individual's SSN or the employer identification number (EIN) of the business. However, the IRS prefers that you show the SSN.

Finally, complete the certification section, sign and date the form.

If you are a foreign person, use the appropriate Form W-8.

Substitute Form
State Form 23743 (R 07/01)

Approved by State Board of Accounts 2001
Approved by Auditor of State 2001

Taxpayer Identification Number Request

State of Indiana

W-9

DO NOT send to IRS

Print or Type	Return to address below
Legal Name (OWNER OF THE EIN OR SSN AS NAME APPEARS ON IRS OR SSN RECORDS) DO NOT ENTER THE BUSINESS NAME OF A SOLE PROPRIETORSHIP ON THIS LINE	
Trade Name Complete only if doing business as (D/B/A)	
Remit Address	
Purchase Order Address-Optional	
Check legal entity type and enter 9 digit taxpayer identification Number (TIN) below: (SSN = Social Security Number, EIN = Employer Identification Number)	SSN or EIN must be for legal name above
<input type="checkbox"/> Individual (Individual's SSN) _____	
<input type="checkbox"/> Sole Proprietorship (Owner's SSN or Business EIN) SSN _____	
	EIN _____
<input type="checkbox"/> Partnership <input type="checkbox"/> General <input type="checkbox"/> Limited (Partnership's EIN) _____	
<input type="checkbox"/> Estate/Trust (Legal Entity's EIN) _____	
Note: Show the name and number of legal trust, or estate, not personal representatives	
<input type="checkbox"/> Other (Limited Liability Company, Joint Venture, Club, ect) (Legal Entity's EIN) _____	
<input type="checkbox"/> Corporation Do you provide legal or medical serv. <input type="checkbox"/> Yes <input type="checkbox"/> No (Corp's EIN) _____	
<input type="checkbox"/> Government (or Government operated entity) (Entity's EIN) _____	
<input type="checkbox"/> Organization Exempt from Tax under Section 501(a) Do you provide medical services? <input type="checkbox"/> Yes <input type="checkbox"/> No (Org's EIN) _____	
<input type="checkbox"/> Check here if you do not have a SSN or EIN but have applied for one.	

Under Penalties of perjury, I certify that:

(1) The number listed on this form is my correct Taxpayer Identification Number (Or I am waiting for a number to be issued to me) AND
(2) I am not subject to backup withholding because: (a) I am exempt from the backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, and acquisition or abandonment of secured property, contribution to an individual retirement arrangement (IRA), and payments other than interest and dividends.)
CERTIFICATION INSTRUCTIONS- You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

THE IRS DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

I am a U.S. person (including a U.S. resident alien)

Name (Print or Type) _____

Title _____

AUTHORIZED SIGNATURE _____

Date _____

Phone _____

Agency _____

Agency use only

☐ Yes

☐ No

Approved by _____

1099

REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION

B.3 Application for Certificate of Authority of a Foreign Corporation



APPLICATION FOR CERTIFICATE OF AUTHORITY OF A FOREIGN CORPORATION

State Form 38784 (R9/ 12-02) Corporate Form 112
Approved By State Board Of Accounts, 1995

TODD ROKITA
SECRETARY OF STATE
CORPORATIONS DIVISION
302 W. Washington St., Rm. E018
Indianapolis, IN 46204
Telephone: (317) 232-6576

Indiana Code 23-1-49-1 et seq.
23-1-49-3

Filing Fee: \$90.00

- NOTES:**
1. An Original Certificate of Existence duly authenticated by the proper authority from corporation's domiciliary state within the last sixty (60) days must be submitted with this application.
 2. A Registered Agent with an Indiana street address (not a PO BOX) must be listed in ARTICLE III.

- INSTRUCTIONS:**
- Use 8 1/2" x 11" white paper for attachments.
 - Present original and one copy to address in the upper right corner of this form.
 - Please TYPE or PRINT.
 - Please visit our office on the web at www.sos.in.gov.

APPLICATION FOR CERTIFICATE OF AUTHORITY OF A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF INDIANA
The undersigned officer of the above corporation which was formed as:
<input type="checkbox"/> A general business corporation <input type="checkbox"/> A professional corporation
desiring to effectuate the admittance of the Corporation to transact business in the State of Indiana, certifies the following facts:

ARTICLE I: Name		
Name of Corporation (Must be identical to name shown in Articles of Incorporation and Amendments thereto)		
ARTICLE II: Address of Corporation		
Address of the principal office of corporation (Number and street, city, state and ZIP code)		
ARTICLE III: Registered Office and Registered Agent		
Name of the Registered Agent of the corporation (cannot be the corporation itself)		
Indiana address of the registered office of corporation (Number and street, city; P.O. Box not accepted)	INDIANA	ZIP code
ARTICLE IV: Date and State of Incorporation and Duration of Existence		
Date of incorporation in domiciliary state:	State of incorporation	
Expected period of duration listed in the Articles of Incorporation (perpetual, term of years or date certain e.g. December 31, 2050)		
ARTICLE V: Corporate Officers		
The names and business addresses of the officers of the Corporation:		
Name	Title	Address (Number, street, city, state and ZIP code)